

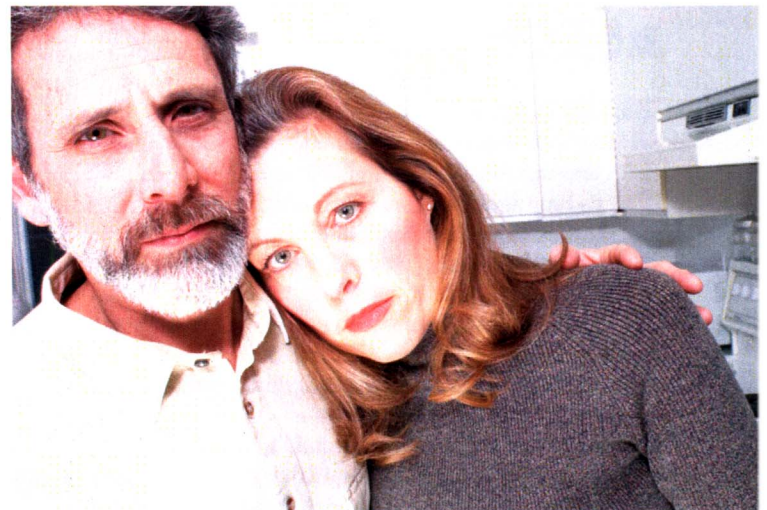
Caregiver Retirement

Can It Be a Reality, or Will It Fade Away?

By Maura Keller

“How will [caregivers] continue to provide care, which is stressful under the best of circumstances, while worrying about their own financial future and figure out how they will pay for their own care when the time ever comes?”

— Emma Dickison, president, Home Helpers elder care company



No matter what stage of life you're in, the need for regular financial saving and investing spans the "ages." After all, we work all our lives with the hope and expectation that we can retire financially secure at an age when we're still able to enjoy life.

But what happens when caregiving rears its head, and you are not only swept into action with your physical and mental resources but also your financial resources? The answer is: "plenty." And while the picture can appear grim for that retirement goal, this need not be the case; with a little know-how, you can plan for retirement while effectively caring for your loved one.

"Even before the economy went bad, only a third of workers could be confident of having a comfortable retirement," says Howard Gleckman, author of the upcoming book *Caring For Our Parents: Inspiring Stories of Families Seeking New Solutions to America's Most Urgent Health Crisis*. "Now, even fewer feel secure," he pointedly adds.

That's because assets in the average retirement account for a 50-something-year-old have dropped to less than \$90,000, according to new estimates by The Urban Institute. And in many areas, home values, long thought to be a retirement funding source, have plunged by 30% or more.

"It is much worse for caregivers, who on average contribute as much as \$5,000 a year of their own money to caring for parents and other loved ones," says Gleckman, who is a senior researcher at The Urban Institute and previously was a visiting fellow at the Center on Retirement Research at Boston College.

According to Emma Dickison, president of the Cincinnati-headquartered Home Helpers homecare company, caregivers care deeply about the aging family member needing help, yet they are affected by the economy as well.

"The caregiver's portfolio has been affected," Dickison says. "How will they continue to provide care, which is stressful

under the best of circumstances, while worrying about their own financial future and figure out how they will pay for their own care when the time ever comes? We know today that adults over 65 have an average of five chronic conditions, see 14 doctors a year, and take about 50 medications over the course of the year. Caregivers are seeing that firsthand, and it affects their outlook and actions."

Gleckman says a key concern for caregivers is the risk to their own jobs and financial livelihood. In researching *Caring for Our Parents*, Gleckman talked to many caregivers who had to cut back their own work hours in order to help out parents, spouses, or children.

For example, Gleckman met Steve and Judy Dow, who live outside of Burlington, Vermont. "They were caring for Steve's mom and both of Judy's parents. Judy had to give up her full-time job as a teacher because she no longer had the time to work five days a week," he says. "Now, she works as a consultant — a job that gives her more flexibility but is much less secure. Steve, who is a self-employed contractor, estimates he's given up \$80,000 of work because of the time he's spent helping his mom. When I asked him if he'd been able to put anything away for retirement, he replied, 'You can't even think about that.'"

When you work less, not only do you earn less money today, but you also have less to put away for retirement. "Your employer may not contribute as much to your 401(k), and since Social Security benefits are tied to how much you earn, you may get less from Social Security as well," Gleckman says. "On top of it all, if you have to take time from work, you risk losing your job.

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In today's economy, your boss may not be sympathetic to your need to take off a few hours to take mom to the doctor. "

As Nancy Dunn Thompson, Ph.D., executive director at Elizabeth McGown Training Institute at Morningside Ministries in San Antonio, explains, very often one person, generally the spouse, daughter or daughter-in-law, will become the primary caregiver.

"Caregiving may well impact their employment," Thompson says. "About a third will decrease their work hours. Because of the demands of caregiving, almost a third will pass up a promotion or assignment. Others will leave the workforce. For many women, caring for children and for older adult family members contributes to fewer years in the workforce, few promotions, less investment in retirement plans, and overall reduced retirement benefits."

One issue discussed by some of the family caregivers served by Thompson's institute is the impact on income and retirement. "While most of the discussion is about work-related income and benefits, the financial loss is also impacted by a failure of the family to recognize what caregiving costs the caregiver," Thompson says. "Should the family compensate the caregiver? Should part of an estate be used to compensate a family caregiver who has given up a job and future security while caring for a loved one?"

The 85-years-and-older segment of the population is growing rapidly, and even for those who have planned for retirement, their financial assets will not last their lifetime. Added to that, many predict that government programs will not be able to meet the needs of this growing population with limited or no financial assets. This means that caregivers have to foot the bill.

For those caregivers who are preparing for their own retirement and possibility of long-term care in the future, Thompson's advice is to assess resources and options, including assets, retirement benefits, long term care insurance and others. Get the best advice and information you can. And if time is not on your side, if your retirement looms in the near future, turn to those around you for help. The process will not be over until you talk with your family—and the sooner the better. Ask for both immediate and long-term financial assistance from other family members, paying close attention to economic trends that may affect your retirement outlook.

As Thomspson stresses, one of the most important messages is: "Take care of yourself so you can take care of the one you love." ■

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